

Stage 04: Final Modification Report

At what stage is this document in the process?

0512S:

Amendment to Section M to be consistent with Faster Switching proposals

01

Modification

02

Workgroup Report

03

Draft Modification Report

04

Final Modification Report

This modification seeks to align Section M 3.2.9 of the UNC with the proposals set out in Modification 0477 - Supply Point Registration - Facilitation of Faster Switching



Panel consideration is due on 19 February 2015











Low Impact: Shippers and Transporters



Medium Impact:



Low Impact:

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About this document:			Systems Provider: Xoserve
This Final Modification Report will be presented to the Panel on 19 February 2015.			 commercial.enquiries@xoserve.com
The Panel will consider the views presented and decide whether or not this self-governance change should be made.			

1 Summary

Is this a Self-Governance Modification?

The Modification Panel determined that this is a self-governance modification because it is unlikely to have material impact on competition or consumers as it only corrects an earlier error.

Why Change?

Modification 0477 set out a new minimum transfer period of 14 Business Days and as such contained an accompanying Supply Point Confirmation window of 2 System Business Days prior to the transfer taking place. This means that meter information cannot be sent to the incoming shipper until this point in time. UNC Section 3.2.9 currently states that the metering information should be sent to the Shippers 7 days prior to the Proposed supply Point Registration Date. This would be within the new Objection Window and as such the transfer would not be assured.

Solution

In order to reflect the spirit of Modification 0477, the UNC should be amended so that relevant Meter Information should not be sent by the Transporter to the Proposing User until the Objection Deadline. This should be no less than 2 System Business Days prior to the Proposed Supply Point Registration Date.

Implementation

As Self Governance is proposed implementation could be 16 Days after a Panel decision to do so.

Does this modification affect the Nexus delivery, if so, how?

The changes proposed in this modification are unlikely to impact the delivery of Nexus.

2 Why Change?

Modification 0477 set out a new minimum Confirmation period of 14 Business Days and as such contained an accompanying Supply Point Confirmation window of 2 System Business Days prior to the transfer taking place. This means that meter information cannot be sent to the incoming shipper until this point in time. UNC Section 3.2.9 currently states that the meter information should be sent to the Shippers 7 days prior to the Proposed supply Point Registration Date. This would be within the new Objection Window and as such the transfer would not be assured.

3 Solution

The UNC should be amended so that relevant Meter Information should not be sent by the Transporter to the Proposing User until the Objection Deadline which will be no less than 2 System Business Days prior to the Proposed Supply Point Registration Date.

The Transporter will send the relevant Meter Information to the Proposing User by 2 Systems Business Days prior to the Proposed Supply Point Registration Date in 90% of instances of changes of Supply Point ownership measured annually and by the Proposed Supply Point Registration Date in 100% of instances of changes of Supply Point ownership measured annually.

User Pays	
Classification of the modification as User Pays, or not, and the justification for such classification.	No User Pays service would be created or amended by implementation of this modification and it is not, therefore, classified as a User Pays Modification.
Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.	N/A
Proposed charge(s) for application of User Pays charges to Shippers.	N/A
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.	N/A

4 Relevant Objectives

Impact of the modification on the Relevant Objectives:

Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	None
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

The proposals in this modification are the correcting an unintended omission in the text implemented for Modification 0477 - Supply Point Registration - Facilitation of Faster Switching and would therefore better implement its intent, which would further Relevant Objective f) Promotion of efficiency in the implementation and administration of the Code.

5 Implementation

As Self Governance is proposed implementation could be 16 Days after a Panel decision to do so.

6 Legal Text

Text Commentary

The proposed legal text reflects the solution proposed in Modification 0512S to correct the omission in the legal text for Modification 0477 in Section M3.2.9.

Text

The following Text has been prepared by National Grid Distribution and no issues were raised by the Workgroup regarding its content.

Amend Section M3.2.9 to read as follows:

In respect of a Supply Meter Point comprised in a Proposed Supply Point in respect of which the Supply Point Confirmation has become effective, the Transporter will provide to the Proposing User the Meter Information (as held on the Supply Point Register):

- (a) on not later than the ~~7th~~2nd Supply Point Systems Business Day before the Proposed Supply Point Registration Date in at least 90% of instances in any calendar year; and
- (b) in any case, not later than the Proposed Supply Point Registration Date in all instances.

7 Consultation Responses

Of the 6 representations received implementation was unanimously supported.

Representations were received from the following parties:

Organisation	Response	Relevant Objectives	Key Points
British Gas	Support	f) - positive	<ul style="list-style-type: none"> • Satisfied with self-governance status and legal text. • In correcting an unintended omission in the text implemented for Modification 0477, agrees that this modification facilitates Relevant Objective f). • Immediate implementation suggested.
E.ON	Support	f) - positive	<ul style="list-style-type: none"> • Disagrees with the setting of an arbitrary performance target that metering information will be sent in 90% of instances at SSD -2 (measured over a year), and 100% by D. They see little point in setting a target without consequences for failing to meet it, believing that the purpose of a performance target is to incentivise good performance. • Satisfied with self-governance status. • Believes the modification this remedies an inconsistency within the code and therefore facilitates Relevant Objective f). • Immediate implementation suggested. • Concerned that the legal text is made problematic by the inclusion of the arbitrary target of 90%, and given that there is no consequence for failure to meet the target, remains unsure of the rationale for its inclusion in the legal text.
National Grid Distribution	Support	f) - positive	<ul style="list-style-type: none"> • Satisfied with self-governance status and legal text. • Agree modification facilitates Relevant Objective f). • Agrees with the funding statement contained within the Draft Modification Report. • Immediate implementation suggested.
npower	Support	f) - positive	<ul style="list-style-type: none"> • Satisfied with self-governance status and legal text. • Agree modification facilitates Relevant Objective f). • Immediate implementation suggested.
SSE	Support	f) - positive	<ul style="list-style-type: none"> • Satisfied with self-governance status and legal text. • Agree modification facilitates Relevant Objective f). • Immediate implementation suggested.
Wales & West Utilities	Support	f) - positive	<ul style="list-style-type: none"> • Satisfied with self-governance status and legal text. • Agree modification facilitates Relevant Objective f). • Implementation as soon as possible (16 Business Days) after Panel decision.

Representations are published alongside the Final Modification Report.

8 Panel Discussions

9 Recommendation

Panel Recommendation

Having considered the Modification Report, the Panel determined:

- that proposed self-governance Modification 0512S [should/should not] be made.